ccro20/030

BEFORE THE FEDERAL MARITIME COMMISSION

RECEIVED E

05 10

20

30

40

02n

92

PETITION OF UNITED PARCEL SERVICE, INC. FOR EXEMPTION PURSUANT TO SECTION 16 OF THE SHIPPING ACT OF 1984 TO PERMIT NEGOTIATION, ENTRY AND PERFORMANCE OF SERVICE CONTRACTS

FMC Petition No. P3-03

PETITION OF NATIONAL CUSTOMS
BROKERS AND FORWARDERS
ASSOCIATION OF AMERICA, INC. FOR
A LIMITED EXEMPTION FROM CERTAIN
TARIFF REQUIREMENTS OF THE
SHIPPING ACT OF 1984

FMC Petition No. P5-03

PETITION OF OCEAN WORLD LINES, INC.
FOR A RULEMAKING TO AMEND AND
EXPAND THE DEFINITION AND SCOPE OF
"SPECIAL CONTRACTS" TO INCLUDE
ALL OCEAN TRANSPORTATION
INTERMEDIARIES

FMC Petition No. P7-03

PETITION OF BAX GLOBALINGRITIME COMM
FOR RULEMAKING

FMC Petition No. P8-03

PETITION OF C.H. ROBINSON
WORLDWIDE, INC. FOR EXEMPTION
PURSUANT TO SECTION 16 OF THE
SHIPPING ACT OF 1984 TO PERMIT
NEGOTIATION, ENTRY AND
PERFORMANCE OF CONFIDENTIAL
SERVICE CONTRACTS

FMC Petition No. P9-03

JOINT ADDITIONAL COMMENTS of

THE NATIONAL INDUSTRIAL TRANSPORTATION LEAGUE NATIONAL CUSTOMS BROKERS AND FORWARDERS ASSOCIATION OF AMERICA

TRANSPORTATION INTERMEDIARIES ASSOCIATION

Richard D. Gluck Garvey Schubert Barer 1000 Potomac St. N.W. 5" Floor Washington, D.C. 20007

Counsel for The Transportation Intermediaries Association

Edward D. Greenberg, Esq. Galland, Kharasch Greenberg Fellman & Swirsky 1054 Thirty-First St. N.W. Washington, D.C. 20037

Counsel for The National Customs Brokers and Forwarders Association of America Nicholas J. DiMichael Karyn A. Booth Thompson Hine LLP 1920 N Street, N.W., Suite 800 Washington, D.C. 20036-1600

Counsel for **The** National Industrial Transportation League

The National Industrial Transportation League, the National Customs Brokers and Forwarders Association of America and the Transportation Intermediaries Association (collectively, "Joint Commenters") submit these Joint Additional Comments in response to the order of the Commission in these various proceedings served November 13, 2003, in which the Commission determined to re-open the comment period for additional comments.

These Joint Commenters are submitting the following Statement of Common Principles which they believe should guide the Commission in adjudicating these proceedings:

STATEMENT OF COMMON PRINCIPLES CONCERNING A SECTION 16 EXEMPTION FOR NVOCCs

agreed to by

The National Industrial Transportation League
National Customs Brokers and Forwarders Association of America
Transportation Intermediaries Association

- 1. The FMC has the authority under Section 16 of the 1984 Shipping Act, as amended by OSRA, to grant an exemption that would provide greater pricing flexibility and/or reduce regulatory burdens for non-vessel operating common carriers ("NVOCCs").
- 2. The FMC's exemption authority was liberalized under OSRA to enable the agency to reduce unnecessary regulatory burdens, and the FMC should exercise that authority unless the exemption would substantially reduce competition or be detrimental to commerce.
- 3. Granting exemptions that broadly permitted confidential contracting between NVOCCs and their customers and reduced tariff publication burdens would have a pro-competitive impact on the industry and would facilitate commerce.
- 4. The FMC should initiate a rulemaking proceeding to determine how to apply its exemption authority in order to broadly authorize confidential contracting between NVOCCs and their customers. The FMC should permit all qualified NVOCCs to have service contracting authority and should consider whether service contracts between NVOCCs and shippers should be subject to all of the existing rules and requirements applicable to vessel-operating common carriers ("VOCCs") service contracts.
- 5. Contracting is the preferred means of conducting ocean transportation services between VOCCs and shippers because it allows for more flexible and customized business arrangements. NVOCCs should have the same opportunity to offer contracts to their customers.

- 6. The administrative costs incurred by NVOCCs to publish tariffs far exceed any consumer benefits, since very few NVOCC customers rely on published tariffs to obtain NVOCC pricing information.
- 7. The shipping industry has changed dramatically since OSRA was adopted and has moved from a system of common carriage to contract carriage. In addition, NVOCCs—whether small, medium or large-have become far more sophisticated and have generally made the investments in infrastructure that are necessary to provide an efficient and economic intermodal transportational system. The changed dynamics of the NVOCC industry supports the FMC taking a fresh look at how it can increase competition and relieve regulatory burdens for Nvoccs.

In addition to the submission of these Common Principles, these Joint Connnenters will also be separately submitting Additional Comments in response to the Commission's November 13 orders, in which they will discuss at greater length the above principles and also submit views or arguments in reply to the petitions or in reply to comments already received.

Respectllly submitted,

Richard D. Gluck Garvey Schubert Barer 1000 Potomac St. N.W. 5th Floor

Washington, D.C. 20007

Counsel for The Transportation Intermediaries Association

Dated: January 12, 2004

Edward D. Greenberg Galland. Kharasch

durid D Down

Greenberg

Fellman & Swirsky 1054 Thirty-First St. N.W. Washington, D.C. 20037

Counsel for The National Customs Brokers and Forwarders Association of America Nicholas J. DiMichael Karyn A. Booth Thompson Hine LLP 1920 N Street, N.W., Suite 800 Washington, D.C. 20036-1600

Counsel for The National Industrial Transportation League

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing Joint Additional Comments was served via first-class U.S. mail on the 12th day of January 2004, upon the following:

J. Michael Cavanaugh, Esq. Holland & Knight LLP 2099 Pennsylvania Ave., N.W. Washington, DC 20006

Charles L. Coleman III, Esq. Holland & Knight LLP 50 California St., Suite 2800 San Francisco, CA 94111 Counsel for United Parcel Service, Inc.

Carlos Rodriguez, Esq.
Rodriguez O'Donnell Ross Fuerst
Gonzalez & Williams
1211 Connecticut Ave., N.W., Suite 800
Washington, DC 20036
Counselfor C.H. Robinson Worldwide, Inc.

Leonard L. Fleisig, Esq. Troutman Sanders LLP 401 9th St., N.W., Suite 1000 Washington, DC 20004 Counsel for Ocean World Lines, Inc.

Edward J. Sheppard, Esq. Richard K. Bank, Esq. Ashley W. Craig, Esq. Suzanne L. Montgomery, Esq. Thompson Cobum LLP 1909 K St., N.W., Suite 600 Washington, DC 20006

Therese G. Groff, Esq. BAX Global, Inc. P.O. Box 19571 Irvine, CA 92715 Counsel for BAX Global Inc.

Mula J. K. Mulael
Nicholas J. DilMichael